

Expansion PILOT Term Sheet

W.M. Barr & Company, Inc.

September 21, 2016

W.M. Barr & Company, Inc. ("Applicant") is seeking a nine-year Expansion PILOT to enable the company to retain 179 jobs in the City of Memphis and add 40 net new jobs to the company's Presidents Island facilities located at 2105 Channel Avenue, 2121 Channel Avenue and 2210 Buoy. Total project investment is \$12 million, including \$10 million in manufacturing machinery, equipment and personal property along with \$2 million in real property improvements. The Applicant will add 10,000 square feet of manufacturing space at 2105 Channel Avenue.

The Applicant will retain 179 employees averaging \$55,672 a year and hire 40 new staff averaging \$39,944. The average base salary with expected overtime for all 219 employees will be \$52,800, excluding benefits.

The Applicant will invest \$2 million to upgrade all three facilities with the majority going toward removal of an obsolete tank yard, renovating the blast-proof batching area and expanding the building at 2105 Channel Avenue by 10,000 square feet. The applicant will invest \$10 million in new manufacturing equipment and conveyor systems.

2105 Channel Avenue (050113 00015C) is 11.25 acres and contains a 130,089 square foot manufacturing facility. 2121 Channel Avenue (050113 00006C) is 16.87 acres and contains a 204,310 square foot distribution facility. 2210 Bouy (050102 00044) is 3.79 acres and contains a 79,740 square foot manufacturing facility. Real property and personal property investments to be included in the PILOT will be made at all three Presidents Island properties.

Founded in 1946 by William M. Barr, the company has grown to become a leader in specialty cleaning and home improvement products that are sold in more than 40,000 stores in all 50 states. This Memphis-based company manufactures paint removers, solvents and household cleaning products including Klean Strip, Damp Rid, Goof Off and Home Armor. The Applicant and its sister company, Microban International, employ over 300 people worldwide. The headquarters is located at 6750 Lenox Center in Memphis.

The company has outsourced production and packaging of several consumer goods due to capacity and efficiency constraints at the existing Memphis facilities. Significant investments in

manufacturing equipment and building improvements are needed to bring this activity to Memphis. The Payment-In-Lieu-Of-Tax program will allow the Applicant to upgrade facilities, add jobs and increase production.

Staff projects \$8,845,322 in local total tax revenues to be received during the PILOT term of this project and a \$1,117,131 benefit to the applicant.

When complete, these redesigned facilities will have reduced 1,500 feet of conveyors to just 500 feet, improved plant efficiencies and increased local employment from 179 to 219 jobs. This will allow the company to bring production back from China and to ship more than one million units per week from their Memphis operation.

The 9-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-9 25%	Personal Property	Year 1-9 25%
Real Property	Year 1-9 25%	Real Property	Year 1-9 25%

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS
Total Jobs	219	43.8
Average Wages	\$52,799	24.8
Capital Investment	\$12,000,000	6.0
City of Memphis	Yes	10.0
New Markets Tax Credit Eligible	No	0.0
Headquarters Relocation	No	0.0
Local Business Participation	Standard	10.0
MWBE Owned	No	0.0
Total		94.6

Ramp-Up Period

The applicant shall meet all commitments within two years of receiving PILOT benefits.

Project Budget Detail

REAL PROPERTY	
Purchase Price	NONE
Hard Construction and Site Work	\$2,000,000
Sub-Total	\$2,000,000
PERSONAL PROPERTY	
New	\$10,000,000
Transferred	NONE
Sub-Total	\$10,000,000
Total Investment in PILOT	\$12,000,000

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	NONE
Other Personal Property	NONE
Fees & Soft Costs	NONE
Sub-Total	NONE
Total Capital Investment	\$12,000,000

Local Business Participation

Spending with City of Memphis certified minority and women business enterprises (MWBEs) and Shelby County certified locally-owned small businesses (LOSBs) shall be an amount equal to or greater than:

				Minimum For Bonus Opportunity	
		Basis	\$ LBP	1 Added Year	2 Added Years
	25%	Construction/Site Work	\$500,000	\$700,000	\$900,000
+	15%	Real Property Savings	\$62,937	\$116,550	\$179,487
+	5%*	Personal Property Savings	\$34,878	\$109,877	\$191,870
=	Total		\$597,815	\$926,427	\$1,271,357

* Per Section X (A) (ii) of the Expansion PILOT Policies and Procedures governing projects with 75% of their total capital investment in manufacturing machinery or equipment tangible personal property.

Conditions

Award of a PILOT in accordance with the recommendations of the Economic Development Growth Engine (EDGE) Industrial Development Board of the City of Memphis and County of Shelby, Tennessee staff, as set forth herein, is subject to the following conditions.

1. The award is subject to the review and approval of the Board's counsel.
2. The award of a PILOT to the real property of Applicant is subject to the review and approval of the Applicant's environmental impact study.
3. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
4. The EDGE Board of Directors (the "Board") reserves the right to assign the PILOT, or its rights with respect thereto, to the Memphis and Shelby County Industrial Development Board (the "IDB"), in accordance with the service agreement between the Board and the IDB, if the Board ultimately deems it beneficial.
5. Except as explicitly provided in this term sheet or in a resolution of the Board, the award is subject to the provisions of the Expansion PILOT Policies.
6. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year.
7. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE, the IDB or any other affiliate or agent of EDGE unless and until all of the documents for the subject transaction, including the PILOT lease agreement, have been negotiated and delivered.